



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that producers and/or exporters subject to this administrative review made sales of subject merchandise at less than normal value during the period of review (POR), March 1, 2016, through August 31, 2017.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: David Crespo or Jacob Garten, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3693 or (202) 482-3342, respectively.

SUPPLEMENTARY INFORMATION:

Background

This review covers 11 producers and exporters of the subject merchandise. Commerce selected two companies, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) (collectively, the respondents), for individual examination. The producers and or exporters not selected for individual examination are listed in the “Final Results of the Review” section of this notice.

On October 10, 2018, Commerce published the *Preliminary Results*.<sup>1</sup> In November 2018, the domestic parties<sup>2</sup>, Maquilacero, Prolamsa, and one of the companies not selected for individual examination (*i.e.*, Perfiles y Herrajes LM S.A. de C.V.) submitted case briefs and the domestic parties, Maquilacero, and Prolamsa submitted rebuttal briefs.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>3</sup> On February 28, 2019, we postponed the final results by 60 days, until May 20, 2019.<sup>4</sup>

Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

#### Scope of the Order

The merchandise subject to the order is certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications. Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

---

<sup>1</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016–2017*, 83 FR 50888 (October 10, 2018) (*Preliminary Results*).

<sup>2</sup> The petitioners are Independence Tube Corporation and Southland Tube, Incorporated, both Nucor companies; and domestic interested parties are Atlas Tube, a division of Zekelman Industries; and Searing Industries (collectively, domestic parties).

<sup>3</sup> See Memorandum, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28, 2019.

<sup>4</sup> See Memorandum, “Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated February 28, 2019.

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The product is currently classified under following Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the Appendix to this notice and addressed in the Issues and Decision Memorandum.<sup>5</sup> Interested parties can find a complete discussion of these issues and the corresponding recommendations in this public memorandum, which is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is also available to all interested parties in the Central Records Unit, room B8024, of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at

---

<sup>5</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2016-2017 Administrative Review of the Antidumping Duty Order on Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico," dated concurrently with, and hereby adopted by this notice (Issues and Decision Memorandum).

<http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Determination of No Shipments

As noted in the *Preliminary Results*, we received a no shipment claim from one company involved in this administrative review, Tuberia Nacional S.A. de C.V. (TUNA). In the *Preliminary Results*, we preliminarily determined that TUNA had no reviewable transactions during the POR. We received no comments from interested parties with respect to this claim. Therefore, because the record indicates that this company did not export subject merchandise to the United States during the POR, we continue to find that TUNA had no reviewable transactions during the POR.

#### Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the preliminary weighted-average margin calculations for Maquilacero and Prolamsa, and those companies not selected for individual review.<sup>6</sup>

#### Final Results of the Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period March 1, 2016, through August 31, 2017:

<b><u>Exporter/ Producer</u></b>	<b><u>Weighted-Average Dumping Margin (Percent)</u></b>
Maquilacero S.A. de C.V.	1.43
Productos Laminados de Monterrey S.A. de C.V.	8.09

---

<sup>6</sup> See accompanying Issues and Decision Memorandum.

Review-Specific Average Rate Applicable to the Following Companies:<sup>7</sup>

<u>Exporter/ Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
Arco Metal S.A. de C.V.	5.88
Forza Steel S.A. de C.V.	5.88
Industrias Monterrey, S.A. de C.V.	5.88
Perfiles y Herrajes LM S.A. de C.V.	5.88
PYTCO S.A. de C.V.	5.88
Regiomontana de Perfiles y Tubos S.A. de C.V.	5.88
Ternium S.A. de C.V.	5.88
Tuberia Nacional S.A. de C.V.	*
Tuberia Procarsa S.A. de C.V.	5.88

\* No shipments or sales subject to this review.

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

#### Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), where Maquilacero and Prolamsa reported the entered value of their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where the respondents did not report entered value, we calculated the entered value in order to calculate the assessment rate. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within

---

<sup>7</sup> This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the companies which were not selected for individual review, we will assign an assessment rate based on the average<sup>8</sup> of the cash deposit rates calculated for Maquilacero and Prolamsa. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.<sup>9</sup>

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this administrative review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: 1) the cash deposit rate for each specific company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; 2) for previously investigated companies not participating in this review, the cash deposit will continue to be the company-specific rate published for the most recently completed segment of this proceeding; 3) if the exporter is not a firm covered in this review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and 4) the cash deposit rate for all other manufacturers or exporters will continue to be 3.24 percent, the all-

---

<sup>8</sup> This rate was calculated as discussed in footnote 7, above.

<sup>9</sup> See section 751(a)(2)(C) of the Act.

others rate established in the LTFV investigation.<sup>10</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

---

<sup>10</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62866 (September 13, 2016).

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i) of the Act.

*Dated: May 20, 2019.*

---

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.



## **Appendix**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Margin Calculations
- IV. Discussion of Issues

#### General Issues

Comment 1: Ministerial Errors

#### Maquilacero-Specific Issues

Comment 2: Use of Adverse Facts Available (AFA)

Comment 3: Further-Manufactured Products in the Home Market

#### Prolamsa-Specific Issues

Comment 4: Theoretical Weights

Comment 5: U.S. Indirect Selling Expenses (ISE)

Comment 6: Home Market Level of Trade (LOT)

Comment 7: U.S. Sales of Subject Merchandise Further Manufactured by an Unaffiliated Mexican Company

#### Perfiles-Specific Issues

Comment 8: Whether Commerce Correctly Determined the Dumping Margin for Perfiles

- V. Recommendation

[FR Doc. 2019-11016 Filed: 5/24/2019 8:45 am; Publication Date: 5/28/2019]